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**ART BROKER ARRESTED IN BRAZIL ON FEDERAL FRAUD
CHARGES INVOLVING PICASSO AND MONET PAINTINGS**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, and KEVIN DONOVAN, the Assistant Director in Charge of the New York Office of the FBI, announced that MICHEL COHEN was arrested in Brazil today on charges of interstate transportation of a Picasso painting that COHEN knew was stolen and, separately, with wire fraud involving a Monet painting that the Metropolitan Museum of Art (the "Met") was holding.

According to a criminal Complaint unsealed today in Manhattan federal court, the Picasso painting was valued at more than \$2 million, and the Monet painting was at the center of a scheme in which COHEN defrauded several individuals of approximately \$7.5 million.

According to the Complaint, which was filed in April 2001, in December 2000, COHEN arranged to broker the sale of "Nu Accroupi," a painting by Pablo Picasso, for the Richard Gray Gallery. Under a consignment agreement, Gray Gallery agreed to

deliver the painting to COHEN at a storage facility in Manhattan for one day only so that he could show the work to a prospective buyer, according to the Complaint, and the painting was required to be returned to Gray Gallery in New York the following day.

The Complaint charges that instead, on December 22, 2000, the day he was to take delivery, COHEN arranged to have delivery of the Picasso painting diverted to another shipping company which, at his instructions, transferred the painting to a private jet at Newark Airport. COHEN allegedly arranged for the sale of the painting to an individual in Iowa for approximately \$4.5 million, without the knowledge of Gray Gallery, which did not receive any payment for the painting.

The Complaint also charges that, in the Fall of 2000, COHEN offered to sell for \$2.75 million to Beadleston Gallery in Manhattan a half-interest in a painting by Claude Monet that had been donated to the Met but was being returned to the family of a Holocaust victim who lost possession of the painting during World War II.

According to the Complaint, on November 3, 2000, as per COHEN's instructions and promise to deliver the Monet painting, "Le Repos Dans Le Jardin, Argenteuil," in 10 business days, Beadleston Gallery wired \$2.5 million to COHEN's bank account in California and agreed to pay the remaining \$250,000 due in December 2000. COHEN later allegedly told the gallery that the purchase price had been reduced to \$5 million and agreed to accept the \$2.5 million as full payment for its half-share.

On October 31, 2000, just days before COHEN's receipt of \$2.5 million from Beadleston Gallery, the Complaint charges that COHEN met in Manhattan with a private art dealer from Europe, displayed a transparency of the identical Monet painting and said that he could arrange to purchase the painting for \$5 million and resell it for \$6.8 million. COHEN allegedly requested that the dealer pay him \$5 million to help execute the dual transaction and COHEN said, in return, he would split the \$1.8 million profit with the dealer. On November 8, 2000, the European dealer wire-transferred \$5 million to COHEN to purchase the painting, it was charged.

The Complaint charges, that notwithstanding COHEN's receipt of \$7.5 million from both the Beadleston Gallery and the European dealer, COHEN never delivered the Monet painting to either "purchaser" and never returned any of their money.

Moreover, according to the Complaint, despite COHEN's representations to the dealer and the Beadleston Gallery that the painting would be reclaimed by the Holocaust victim's family imminently, no agreement was ever reached between the victim and the Met; nor was a return date for the painting discussed.

The United States intends to seek MICHEL COHEN's extradition from Brazil to the United States. The investigation is continuing.

If convicted of interstate transportation of stolen property, COHEN faces a maximum sentence of 10 years in prison. If convicted of wire fraud, COHEN faces a maximum sentence of five years in prison. Both charges carry a maximum fine of the greatest of \$250,000, twice the gross gain or loss resulting from the offense.

Mr. COMEY praised the outstanding investigative efforts of the Federal Bureau of Investigation in this investigation.

Assistant United States Attorneys JONATHAN N. HALPERN and MARCIA S. COHEN are in charge of the prosecution.

The charges contained in the complaint are merely accusations and the defendant is presumed innocent unless and until proven guilty.